

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

Annual Financial Statements

**As of and for the Year Ended
December 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUN 27 2012**

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

Annual Financial Statements

As of and for the Year Ended December 31, 2011

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WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana
Annual Financial Statements
As of and for the Year Ended December 31, 2011

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**M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726**

Independent Accountant's Review Report

**BOARD OF COMMISSIONERS
WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

I have reviewed the accompanying financial statements of the governmental activities and major fund of the Ward Five Fire Protection District of Union Parish (the "District"), a component unit of Union Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquires of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

**Member of the American Institute of Certified Public Accountants
Member of the Society of Louisiana of Certified Public Accountants**

**BOARD OF COMMISSIONERS
WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

The management's discussion and analysis on pages 5 through 8 and the budgetary comparison information on page 24 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board (GASB). The status of prior year findings and current year findings and corrective action plan on pages 27 and 28, are not a required part of the basic financial statements but are supplementary information required by the Louisiana Governmental Audit Guide. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated June 11, 2012, on the results of my agreed-upon procedures.

/s Carleen Dumas
Calhoun, Louisiana
June 11, 2012

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011**

Our discussion and analysis of Ward Five Fire Protection District of Union Parish's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the District's financial statements that begin on page 10

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities on pages 10 and 11 provide information about the activities of the District and present a long-term view of the District's financial position. The fund financial statements presented on pages 12 and 13 provide information on how the operations of the District are financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements.

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and the changes in them. Net assets - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net assets are an indicator of whether the District's financial position is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, the District reports only governmental activities due to the fact that the District is engaged in one governmental program - fire protection. Property taxes and intergovernmental revenues finance most of this activity.

Fund Financial Statements

The fund financial statements begin on page 12 and provide more detailed information about the District's funds. The District has only one fund, the General Fund, which is reported as a governmental fund.

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

All of the services provided by the District are accounted for in the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future.

The differences between governmental activities reported in the Statement of Net Assets and the Statement of Activities and the governmental funds reported in the fund financial statements are reported in a reconciliation at the bottom of the fund financial statements.

**COMPARATIVE ANALYSIS OF
FINANCIAL DATA**

Government-Wide

The District's net assets increased by \$218,749 during 2011. The increase in net assets is due primarily to the \$330,138 the District received in property tax revenue that was used to purchase capital assets in the amount of \$148,059. Current assets and current liabilities increased in 2011 due to an increase in property taxes that will be received and recognized as revenue in 2012. The following presents an analysis of net assets and changes in net assets of the District's governmental activities.

	GOVERNMENTAL ACTIVITIES	
	2011	2010
Assets		
Current assets	\$813,946	\$681,126
Capital assets	<u>432,936</u>	<u>337,218</u>
Total assets	<u>1,246,882</u>	<u>1,018,344</u>
Liabilities		
Current liabilities	381,068	370,986
Long-term liabilities	<u>21,689</u>	<u>21,982</u>
Total liabilities	<u>402,757</u>	<u>392,968</u>
Net Assets		
Invested in capital assets, net of related debt	411,247	305,691
Unrestricted	<u>432,878</u>	<u>319,685</u>
Total net assets	<u>\$844,125</u>	<u>\$625,376</u>

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

	2011	2010
Expenses	\$123,520	\$108,747
General revenues	342,269	273,874
Change in net assets	218,749	165,127
Net assets - beginning	625,376	460,249
Net assets - ending	<u>\$844,125</u>	<u>\$625,376</u>

Governmental Funds

Property tax revenues increased from \$261,947 in 2010 to \$330,138 in 2011 due to an increase in the assessed values of taxable property in the district. Total expenditures increased \$47,665 from the 2010 total expenditures due to an increase in capital outlay expenditures in 2011.

OVERALL FINANCIAL POSITION

The District's net assets increased \$218,749 as a result of this year's operations. Unrestricted net assets (those assets available to finance the daily operations of the district) were \$432,878 at year end. The amount invested in capital assets, net of related debt was \$411,247 at year end.

DISTRICT'S FUNDS

At the end of the year, the District's General Fund reported an unassigned fund balance of \$432,878. The increase in unassigned fund balance for 2011 was \$113,193.

GENERAL FUND BUDGETARY HIGHLIGHTS

At year end, actual revenues exceeded budgeted revenues and actual expenditures were \$115,438 more than budgeted expenditures. The District did not amend its budget during the year.

CAPITAL ASSETS AND DEBT

Capital Assets

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$432,936. Capital assets include land, buildings, vehicles, and equipment costing \$1,500 or more. Total fixed asset additions were \$148,059 during the year and included land, partial payment on a new vehicle and other equipment. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011**

Debt

At the beginning of the year, the District owed a total of \$31,527 on a bank loan. During 2011 the District paid \$9,838 in principal on the loan. Interest expense on the loan was \$1,756 for 2011. Additional information about the District's debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District prepared its 2012 budget on the assumption that property tax revenues will be approximately the same as it was in 2011. The district anticipates that total expenditures for 2012 will be approximately the same as total expenditures for 2012.

BASIC FINANCIAL STATEMENTS

Statement A

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**STATEMENT OF NET ASSETS
December 31, 2011**

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$469,381
Property tax receivable	344,565
Capital assets, net	<u>432,936</u>
TOTAL ASSETS	<u>1,246,882</u>
LIABILITIES	
Accounts payable	19,172
Deferred revenue	353,445
Protest taxes payable	8,451
Bank loans payable	
Due within one year	10,184
Due in more than one year	<u>11,505</u>
TOTAL LIABILITIES	<u>402,757</u>
NET ASSETS	
Invested in capital assets, net of related debt	411,247
Unrestricted	<u>432,878</u>
TOTAL NET ASSETS	<u><u>\$844,125</u></u>

See accompanying notes and independent accountant's review report

Statement B

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011**

	GOVERNMENTAL ACTIVITIES
Expenses - public safety - fire protection	<u>\$123,520</u>
General revenues:	
Property taxes	330,138
State fire insurance rebate	11,000
Interest earnings	<u>1,131</u>
Total general revenues	<u>342,269</u>
Change in net assets	218,749
Net assets - beginning	<u>625,376</u>
Net assets - ending	<u><u>\$844,125</u></u>

See accompanying notes and independent accountant's review report

Statement C

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2011**

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$469,381
Property tax receivable	<u>344,565</u>
TOTAL ASSETS	<u>\$813,946</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	\$19,172
Deferred revenue	353,445
Protest taxes payable	<u>8,451</u>
Total liabilities	381,068
Fund balance - unassigned	<u>432,878</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$813,946</u>
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Assets:	
Fund balance - unassigned - General Fund	\$432,878
Amount reported for net assets of governmental activities in the Statement of Net Assets (Statement A) is different because.	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	432,936
Long-term liabilities, such as bank loans payable, are not due and payable in the current period and therefore are not reported in the fund	<u>(21,689)</u>
Net assets of governmental activities (Statement A)	<u>\$844,125</u>

See accompanying notes and independent accountant's review report

Statement D

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended December 31, 2011**

	<u>GENERAL FUND</u>
REVENUES	
Property taxes	\$330,138
Intergovernmental revenues:	
State - fire insurance rebate	11,000
Interest earnings	<u>1,131</u>
Total revenues	<u><u>342,269</u></u>
EXPENDITURES	
Public safety - fire protection	
Current:	
Operating services	53,293
Materials and supplies	11,250
Other charges	4,880
Capital outlay	148,059
Debt service	<u>11,594</u>
Total expenditures	<u><u>229,076</u></u>
NET CHANGE IN FUND BALANCE	113,193
FUND BALANCE AT BEGINNING OF YEAR	<u>319,685</u>
FUND BALANCE AT END OF YEAR	<u><u>\$432,878</u></u>

(Continued)

See accompanying notes and independent accountant's review report

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (Contd)
For the Year Ended December 31, 2011

	<u>GENERAL FUND</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities:	
Net change in fund balance - General Fund	\$113,193
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because.	
Governmental funds report capital outlays as expenditures However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense This is the amount by which capital outlay exceeded depreciation expense in the current period.	95,718
Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets	<u>9,838</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$218,749</u></u>

(Concluded)

See accompanying notes and independent accountant's review report.

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2011**

INTRODUCTION

The Ward Five Fire Protection District of Union Parish was created by the Union Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492. The district is governed by a five member board. Two members are appointed by the Union Parish Police Jury, two members are appointed by the Village of Downsville, and the fifth member, who is chairman, is selected by the other four members. Board members serve two year terms without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district. The district has no employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Ward Five Fire Protection District of Union Parish is considered a component unit of the Union Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Ward Five Fire Protection District of Union Parish.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

See accountant's independent review report.

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements. The Ward Five Fire Protection District of Union Parish has only one governmental fund.

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the district.

The Ward Five Fire Protection District of Union Parish reports the following governmental fund:

General Fund

The General fund is the general operating fund of the district and accounts for all financial resources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

See accountant's independent review report

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements

C. Deposits

Cash includes amounts in interest-bearing demand deposits.

D. Receivables

Property tax receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The district is authorized to levy a maximum tax of 10 mills annually on property within the boundaries of the district for maintenance and operation of the district beginning with the year 2010 and ending with the year 2020. The district levied 10 mills on property with an assessed value of \$42,726,820 for the year ended December 31, 2011. The taxes are levied in 2011 for the 2012 calendar year, therefore, the revenue resulting from the 2011 tax levy will be recognized in 2012.

E. Capital Assets

Capital assets, which include buildings, vehicles, and equipment are reported in the governmental activities column in the government-wide financial statements. All of the district's capital assets are capitalized at historical cost. The Ward Five Fire Protection District of Union Parish maintains a threshold level of \$1,500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Buildings	40 years
Vehicles	5-15 years
Equipment	5-10 years

See accountant's independent review report

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH**
Notes to the Financial Statements

F. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets

G. Net Assets/Fund Balance

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either

- 1 externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or
- 2 imposed by law through constitutional provisions or enabling legislation

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be reported as restricted when constraints on the use of the funds meet the same criteria as restricted net assets in the government-wide statement of net assets as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the board of commissioners are reported as committed fund balance.

Assigned fund balance are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The board of commissioners is authorized to assign amounts to a specific purpose. Unassigned fund balance is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

At December 31, 2011, the district had only unassigned fund balance in the General Fund.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

See accountant's independent review report

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements

**2. STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

A. Budget Information

The Ward Five Fire Protection District of Union Parish uses the following budget practices:

A preliminary General Fund budget for the ensuing year is prepared by the treasurer of the board of commissioners on the cash basis of accounting. The budget is then adopted by the board during the regular November or December meeting. The budget is established and controlled by the board of commissioners at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Encumbrance accounting is not used by the district. All changes in the budget must be approved by the board of commissioners.

Budgeted amounts included in the accompanying financial statements include the original adopted budget. There were no budget amendments for 2011.

Schedule 1 in the accompanying financial statements presents comparisons of the legally adopted budget with actual data on the budgetary (cash) basis. Because accounting principles applied for purposes of developing data on the budgetary basis differ significantly from those used to present the fund financial statements, a reconciliation of resultant basis differences in the change in fund balance follows:

Net increase in cash (budgetary basis) as reported on Schedule 1	\$106,008
Adjustments to expenditures for accounts payable	(10,324)
Adjustments to revenue for deferred revenue	<u>17,509</u>
Net change in fund balance (GAAP basis) as reported on Statement D	<u>\$113,193</u>

See accountant's independent review report

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements**

B. Excess of Expenditures Over Appropriations

The following individual fund had actual expenditures over budgeted appropriations for the year ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	<u>\$103,314</u>	<u>\$103,314</u>	<u>\$218,752</u>	<u>\$115,438</u>

3. CASH

At December 31, 2011, the district had cash in interest-bearing demand deposits (book balances) of \$469,381. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 2011, the Ward Five Fire Protection District of Union Parish has \$469,381 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$630,899 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011, is as follows.

	<u>Balance at January 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2011</u>
Governmental activities.				
Capital assets not being depreciated				
Land	<u>NONE</u>	<u>\$13,500</u>	<u>NONE</u>	<u>\$13,500</u>
Capital assets being depreciated:				
Buildings	28,220			28,220

See accountant's independent review report

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements

Vehicles	587,905	93,659		681,564
Equipment	58,709	40,900		99,609
Total capital assets being depreciated	674,834	134,559	NONE	809,393
Less accumulated depreciation for:				
Buildings	11,994	706		12,700
Vehicles	293,368	45,764		339,132
Equipment	32,255	5,870		38,125
Total accumulated depreciation	337,617	52,340	NONE	389,957
Total assets being depreciated, net	337,217	82,219	NONE	419,436
Total assets, net	<u>\$337,217</u>	<u>\$95,719</u>	<u>NONE</u>	<u>\$432,936</u>

Depreciation expense of \$52,340 for the year ended December 31, 2011 was charged to the public safety - fire protection governmental function.

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt (bank loan payable) transactions for the year ended December 31, 2011.

	Marion State Bank Loan
Bank loans payable at January 1, 2011	\$31,527
Additions	
Reductions	<u>(9,838)</u>
Bank loans payable at December 31, 2011	<u>\$21,689</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2011.

See accountant's independent review report

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Notes to the Financial Statements

	Marion State Bank Loan
Current portion	\$10,184
Long-term portion	<u>11,505</u>
Total	<u>\$21,689</u>

Outstanding debt at December 31, 2011, in the amount of \$21,689 consists of one bank loan with maturities from 2012 until 2014 and an interest rate of 6.5%. The loan is due in monthly installments of \$966. Loan principal and interest payable in the next fiscal year are \$10,184 and \$1,410, respectively.

All principal and interest requirements are funded in accordance with Louisiana law by the annual property tax levy within the district. The loan is due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2012	\$10,184	\$1,410	\$11,594
2013	10,846	748	11,594
2014	<u>659</u>	<u>43</u>	<u>702</u>
Total	<u>\$21,689</u>	<u>\$2,201</u>	<u>\$23,890</u>

6. RISK MANAGEMENT

The District, as well as the individual fire stations in the district, purchase commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

See accountant's independent review report

REQUIRED SUPPLEMENTAL INFORMATION

See accountant's independent review report

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis - Cash)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$104,300	\$104,300	\$312,629	\$208,329
Intergovernmental revenues				
State - fire insurance rebate			11,000	11,000
Use of money and property - interest earnings			1,131	1,131
Total revenues	<u>104,300</u>	<u>104,300</u>	<u>324,760</u>	<u>220,460</u>
EXPENDITURES				
Public safety - fire protection				
Current:				
Operating services	33,845	33,845	6,316	27,529
Materials and supplies	13,725	13,725	69,557	(55,832)
Other charges	4,150	4,150	4,078	72
Capital outlay	40,000	40,000	127,159	(87,159)
Debt service	11,594	11,594	11,642	(48)
Total expenditures	<u>103,314</u>	<u>103,314</u>	<u>218,752</u>	<u>(115,438)</u>
NET INCREASE IN CASH	<u>986</u>	<u>986</u>	<u>106,008</u>	<u>105,022</u>
CASH BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>363,373</u>	<u>363,373</u>
CASH BALANCE AT END OF YEAR	<u>\$986</u>	<u>\$986</u>	<u>\$469,381</u>	<u>\$468,395</u>

BUDGET TO GAAP RECONCILIATION:

Net increase in cash - budgetary basis (Schedule 1)	\$106,008
Differences - budget to GAAP:	
Adjustment to revenues for current year deferred revenue	17,509
Adjustment to expenditures for current year and prior year accounts payable	(10,324)
Net change in fund balance - GAAP basis (Statement D)	<u>\$113,193</u>

Notes to Schedule: There were no budget amendment during the year ended December 31, 2011

See accountant's independent review report

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's independent review report

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**OTHER SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2011**

STATUS OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana

STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2011

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action</u>
Procedure 7	2009	Actual expenditures exceeded budgeted expenditures by more than 5%	No	See current year findings
Procedure 8(a)	2010	One disbursement was not adequately supported	Yes	N/A

See accountant's independent review report

**WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana**

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2011**

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Procedure 7	Actual expenditures exceeded budgeted expenditures by more than 5%.	In 2012, a budget amendment will be adopted when actual expenditures exceed budgeted expenditures by 5% or more	Eileen Moore, Treasurer	12/31/2012
Procedure 8(a)	One disbursement was not posted to correct general ledger account	In 2012, all disbursements will be posted to correct general ledger account	Eileen Moore, Treasurer	12/31/2012
Procedure 9	Notice of meetings were not posted or advertised as required by state law	In 2012, notices of public meetings will be advertised or posted as required by state law	Eileen Moore, Treasurer	12/31/2012

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

Independent Accountant's Report
On Applying Agreed-Upon Procedures

BOARD OF COMMISSIONERS
WARD FIVE FIRE PROTECTION DISTRICT
OF UNION PARISH
Downsville, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Ward Five Fire Protection District of Union Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

- 1 Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law)

A review was made of all disbursements for the year. There were no disbursements for public works exceeding \$150,000 made during the year and one disbursement for materials and supplies exceeding \$30,000 made during the year. That disbursement was made in accordance with the public bid law.

Code of Ethics for Public Officials and Public Employees

- 2 Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families

Management provided me with the required list including the noted information.

Member of the American Institute of Certified Public Accountants
Member of the Society of Louisiana of Certified Public Accountants

**Ward Five Fire Protection District of Union Parish
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2011**

- 3 Obtain from management a listing of all employees paid during the period under examination**

There were no employees during the period under examination

- 4 Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members**

See number 3 above

Budgeting

- 5. Obtain a copy of the legally adopted budget and all amendments**

I obtained a copy of the legally adopted budget. There were no amendments during 2011.

- 6 Trace the budget adoption and amendments to the minute book**

The original budget was adopted on November 11, 2010

- 7 Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more**

Actual revenues exceeded budgeted revenues and actual expenditures exceeded budgeted expenditures by \$115,438 or 112%.

Accounting and Reporting

- 8. Randomly select 6 disbursements made during the period under examination and,**

- (a) trace payments to supporting documentation as to correct amount and payee,**
- (b) determine if payments were properly coded to the correct fund and general ledger account;**
- (c) determine whether payments received approval from proper authorities**

An examination of six randomly selected disbursements disclosed the following

**Ward Five Fire Protection District of Union Parish
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2011**

- (a) The six selected disbursements were adequately supported
- (b) One of the six selected payments was not coded to the correct general ledger account
- (c) The six selected payments received approval from the proper authorities

Meetings

- 9 Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42 19 (the opening meetings law)

The public notices for meetings were not posted as required by LSA-RS 42 19.

Debt

- 10 Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness

I examined all deposits for the period under examination and noted no proceeds that appeared to be from bank loans, bonds, or like indebtedness

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts

There were no employees during the period under examination.

Prior Comments and Recommendations

There were two findings in the prior year report One finding was resolved during 2011 and one finding is reported as a current year finding.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions Accordingly, I do not express such an opinion Had I performed additional procedures, other matters might have come to my attention that would have been reported to you

**Ward Five Fire Protection District of Union Parish
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 2011**

This report is intended solely for the use of management of the Ward Five Fire Protection District of Union Parish and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

**/s/ Carleen Dumas
Calhoun, Louisiana
June 11, 2012**

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*

M. Carleen Dumas, CPA
369 Donaldson Road
Calhoun, LA 71225

Mrs Dumas,

In connection with your review of our financial statements as of December 31, 2011 and for the year then ended, as required by Louisiana Revised Statute 24 513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of 1-12-2012.

PUBLIC BID LAW

1. It is true that we have complied with the public bid law, LSA-RS Title 38 2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐ N/A ☐

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42 1101-1124.

Yes ☒ No ☐ N/A ☐

3. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42 1119.

Yes ☒ No ☐ N/A ☐

BUDGETING

- 4 We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39 34

Yes [X] No [] N/A []

ACCOUNTING AND REPORTING

- 5 All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44.31, and 44:36

Yes [X] No [] N/A []

- 6 We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39 92, as applicable

Yes [X] No [] N/A []

- 7 We have had our financial statements audited or compiled in accordance with LSA-RS 24 513

Yes [X] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42.1-12.

Yes [X] No [] N/A []

DEBT

- 9 It is true that we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39 1410 60 - 1410 65

Yes [X] No [] N/A []

ADVANCES AND BONUSES

- 10 It is true that we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729

Yes [☒] No [☐] N/A [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations We have made available to you documentation relating to the foregoing laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report

/s Dennis Kyle
Name

1-12-12
Date